STRENGTHENING FLOOD RESPONSES

Reaching the most vulnerable communities

FARID HASAN AHMED

FLOOD refers to any destructive movement of water on a large scale. Given the hydrology, climatic factors and the geology, Bangladesh is naturally prone to floods. Floods in this country cause huge devastation, affecting the most impoverished who live on the fringes, at great risk from flooding. The poor always face sufferings and difficulties to cope and overcome the losses incurred. Recently, continuous heavy rains in the upstream catchments of India and inside of Bangladesh caused flooding in northern and north-eastern districts of Bangladesh. Flood has already claimed 21 lives. 3.1 million people have been marooned while 8,140 households washed away in two weeks. The flood situation is worsening gradually with inundation of fresh areas due to sharp increases of water in the country's major rivers. Many people in 65 upazilas under 16 districts were facing acute food and water crises amid shortage of relief items.

PHOTO: STAR

The Directorate of Disaster Management data showed that Tk 55 million and 6,000 tonnes of rice were distributed so far among 3.1 million affected-people. The Bangladesh Bank in a statement requested the scheduled banks and other non-bank financial institutions to provide the flood-affected people in the northern and other regions with necessary relief items.

The central bank requested on Monday that they help the flood-hit people with food, clothes, fresh water, medicines, portable improved cooking stoves, portable solar lanterns, portable pico home systems (small solar home systems under 20 watt) under their corporate social responsibility (CSR) activities.

The risk to hygiene, water and sanitation situation is a major concern in the present flood scenario. Drinking water sources remain contaminated and latrines, if available, are damaged, leading to increased risk of diarrhoea and other waterborne diseases. The open-air defecation practices of people might promote fatal diseases.

The families who lost their houses fully or partially are now living in temporary shelters, on embankments, or seeking refuge in neighbouring places / villages. The houses made of mud and thatch could not withstand water inundation and started collapsing as flood water receded. The worst affected families do not have the financial ability to rebuild / repair their homes.

No / lack of employment opportunity is the major constraint to the affected peoples' livelihoods.

Severe erosion and siltation of land will be a major problem in some of the affected districts. Hundreds of households have been left without houses and homesteads with large areas of their land being covered with a thick layer of sediment and sand, making immediate recovery of agricultural land impossible. Other households have even lost their land to the river waters.

Markets and other community places, like rural markets, school grounds and health centres in the flood-affected areas have been affected by erosion and inundation. Rural earthen roads have been badly damaged and submerged by the floods affecting internal communication of people and, thus, adversely affecting their market potential.

Flood affected communities will face great difficulties to get through the next three to four months until the next winter crop harvest in December 2016. In spite of the government emergency response being observed / reported, according to media and concerned section, it is still inadequate considering the needs and coverage of the affected people. A huge number of people in the affected areas now require various types of rehabilitation and retrieval support. Considering the above context, short-term and mid-term supports are urgently needed for the affected communities. These supports could focus on: risk reduction of water-borne diseases among affected households through access to safe drinking water, appropriate sanitation facilities and hygiene awareness activities, aggregation of food and income security through Targeted food Assistance, Cash-for-Work and Agricultural support (seed, cash, fertiliser etc.) activities and providing house building / repairing provision for the most vulnerable people.

Necessities of displaced populations taking shelter in different places (flood shelters, embankments) mostly are food, shelter, water and sanitation. The livelihood programme is likely to be more dominant later on.

Intervention options that was utilised in past flood emergencies of previous years include distribution of hygiene kits, mosquito nets, tarpaulin sheets and other basic relief materials, food distribution (often a combination of both dry food and wet food) temporary shelter, water treatment (Alum and Halogen Tablets), water storage support (water tanks), water extraction and supply (tube-well sets), sanitation, disinfestations of water sources, waste disposal and gender specific material (sanitary napkins / clean cloth) could be reviewed quickly for making a package of an emergency assistance. This list of options is not exhaustive.

The media has already reported that the shortage of food and drinking water is causing sufferings to the most vulnerable of people in certain areas. The relevant Government authorities, thus, should ensure emergency relief and rehabilitation assistance for the neediest of people, without undermining peoples' dignity and ability. Ensuring quick, well coordinated and effective management of flood response and rehabilitation activities with the involvement of local governments, NGOs and other relevant actors is the prime responsibility of the Ministry of Disaster Management and Relief at this moment. Proper targeting, programming, monitoring and coordination should be ensured in line with Standing Orders of Disasters and Disaster Management Act 2012.

The government authorities and other development actors should also think about how their development initiatives in flood prone areas are resistant to the current flood situation (which is still not as severe as that of 2004, 1998 and 1988) and what more can be done, or differently, and integrate them into their flood management programme to reduce risks and the negative consequence of future floods.

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PROJECT SYNDICATE

How slow will China go?

JONG-WHA LEE

CHINA'S economic performance over the last few decades has been outstanding. Despite possessing very different institutions than those seen in the advanced economies, no doubt a result of its communist system, China managed to achieve 8.7 percent average annual per capita GDP growth from 1980 to 2015. The key has been its unique strategy of "crossing the river by feeling the stones," whereby it has gradually tested, implemented, and adjusted reforms and growth-enhancing policies.

But, while China's economic development has been exceptional in many ways, its growth performance is not unique. Both Japan and South Korea also transformed their economies through rapid industrialisation and export-oriented policies, backed by strong investment, before experiencing slowdowns. If China is to manage its current challenges – in particular, sharply decelerating growth – it should look to these countries' experience for guidance.

All three countries have followed a similar path, but at a different time. Based on per capita GDP, China is more than 40 years behind Japan and about 20 years behind South Korea. Specifically, Japan's annual *per capita* GDP growth averaged 8.6 percent in the 1960s, before plummeting to 3-4 percent in the 1970s and 1980s. South Korea's GDP growth dropped from 7-8 percent in the 1970s and 1980s to 4 percent in the 2000s. China's three-decade-long run of double-digit growth came to an end in 2010, with the annual rate now below 7 percent. In each case, the decline in growth came when per capita income reached about $8,000.

The growth trajectory experienced by these three Asian countries can be explained by the "convergence" phenomenon – the tendency of poor countries to grow faster than rich countries, once they address certain structural and policy factors. The economic logic of this "catch-up" process is straightforward: for countries with lower levels of *per capita* output, there is a larger gap between current and potential capital stock and technology.

That gap can be closed rapidly through the adoption and imitation of existing technologies, which improve productivity, and through high rates of accumulation of physical capital, owing to higher returns on investment. And, indeed, Japan, South Korea, and China all maintained high levels of investment throughout the catch-up process, peaking at nearly 40 percent of GDP in Japan in the 1970s. South Korea reached similar levels in the 1990s; and China's investment spending currently stands at more than 45 percent of GDP.

As countries move closer to their potential per capita output levels, the power of convergence diminishes, forcing its beneficiaries to adjust their growth models accordingly. Reducing investment, due to its lower returns, is an important component of that adjustment. Another is increasing technological innovation, to avoid a sharp slowdown in productivity growth. A third is shifting output from low-value-added agricultural and manufacturing goods to higher-value-added domestic services.

China, like Japan and South Korea before it, is now pursuing this adjustment. But it faces serious obstacles, beginning with limited institutional and human capabilities – a constraint that could hinder domestic innovation and efficient resource allocation. China also faces diminishing labor input growth, owing to low fertility rates and rapid population aging. According to the United Nations, the average growth rate of the working-age population will be -0.1 percent in 2010-2020, a sharp decline from 1.5 percent in 2000-2010.

In addition, as employment moves to the services sector, overall productivity growth could fall, as it did in Japan and South Korea. In China, GDP growth per worker in the services sector was only 1.3 percent in 1981-2010, compared to 15.1 percent in the manufacturing sector.

Of course, China should not be working to restore past rates of GDP growth. That would be a waste of time. As former US Treasury Secretary Lawrence Summers and Harvard University professor Robert Barro have pointed out, a slowdown was inevitable for China, just as it was for Japan and South Korea. My work suggests that China's GDP growth rate will decline to 5-6 percent in the coming decade, and 3-4 percent in the long run.

With its catch-up glory days in the past, China should aim for higher incomes through steady growth and lower volatility. To achieve this, it must focus specifically on crisis prevention and management. That is where Japan and South Korea went wrong.

In the 1980s, Japan allowed asset bubbles to grow. That may have spurred growth for a while, but when the bubbles burst, the financial system's huge debts helped push the economy into a bout of deflation and stagnation from which it has still not fully emerged. Similarly, South Korea was thrown into financial crisis in 1997, when panicked foreign investors fled, hitting the over-leveraged corporate sector hard as the air was sucked out of the under-supervised financial system.

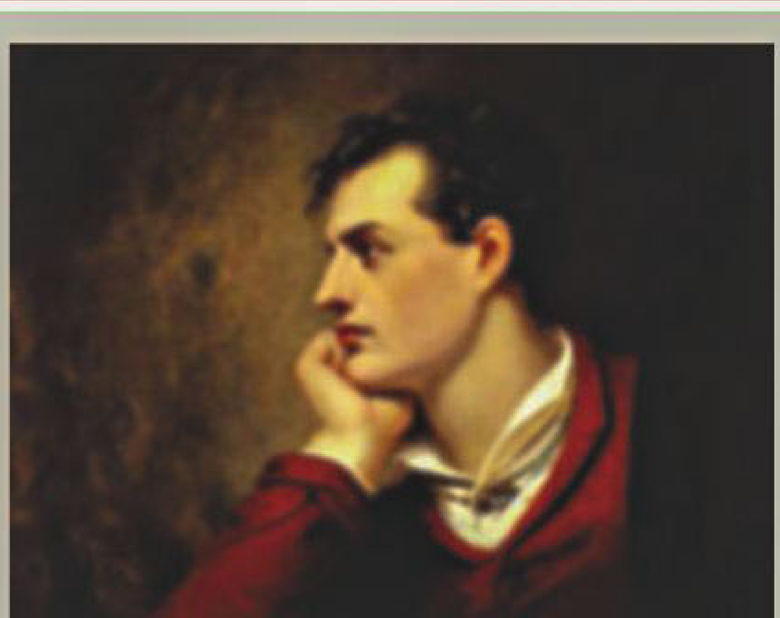
As it stands, China seems to be moving along a similar path. According to the Bank for International Settlements, Chinese corporate debt has increased rapidly in recent years, from 99 percent of GDP in 2008 to 166 percent in 2015, with more than half of the debt owed by poorly performing state-owned enterprises (SOEs). This does not bode well for the corporate sector or the financial system.

But it is not too late to change course. To avert a crisis, China's leaders must act now to address the weaknesses in the corporate and financial sectors and to improve macroeconomic- and financial-policy frameworks. To keep productivity – and incomes – rising, they must continue to implement structural reforms that support labor-market flexibility and the development of human capital, while privatizing SOEs and liberalising the financial sector.

Like its neighbours, China will have to confront slower growth, and its social consequences, head-on. But the country's future is anything but predetermined. With the right approach, it can manage a smooth transition from middle- to high-income status – a transition that would not only improve the wellbeing of China's 1.3 billion citizens, but also reduce risks and uncertainties in the global economy.

The writer is Professor of Economics and Director of the Asiatic Research Institute at Korea University. His most recent book, co-authored with Harvard's Robert J. Barro, is Education Matters: Global Gains from the 19th to the 21st Century.

QUOTABLE Quote



LORD BYRON

Love will find a way through paths where wolves fear to prey.

BEETLE BAILEY by Mort Walker

BABY BLUES by Kirkman & Scott